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STRATEGIC OBJECTIVE #4

(Management of Productive, Life-Sustaining Natural Resources Strengthened)

DEBT-FOR-FOREST SWAP US condones \$41M in debts

By Blanche S. Rivera

THE UNITED STATES HAS FORGIVEN \$41.5 million of the Philippines' debt but is channeling the \$8.25 million the money would have earned in interest over 14 years to fund reforestation projects in the country.

The debt-for-forest swap would put P453 million into a reforestation fund, nearly nine times bigger than the Department of Environment and Natural Resources' measly P56-million allocation for its reforestation program.

The Philippine Tropical Forest Conservation Foundation (PTFCF), which will handle the fund, said the reforestation initiative aims to restore the ideal 15-million hectares of forest in the country, or 40 percent of its total land area.

The Philippines has lost 14 million ha of forest since the turn of the century.

“This is not just an initiative. This is an emergency... What we lost the past decades were lowland dipterocarp forests housing 90 percent of our biodiversity. We have to focus on restoring what has been lost,” said PTFCF executive director Maria Paz Luna in a press conference yesterday.

Dipterocarpaceae are an Asian tree family of valuable aromatic

wood with two-winged fruit.

The Philippines has 7.2 million ha of forest left, 33 percent more than it had 20 years ago when it had 5.4 million ha, according to DENR records.

Citing studies, Luna said the Philippines would only have 310,000 ha of primary forest left by 2010 if deforestation went on unabated. The country has 800,000 ha of old-growth forest left.

“The largest and most direct causes of deforestation in the Philippines have been the large-scale corporate logging, mining and conversion to agriculture,” Luna said.

The Philippine and US governments on Sept. 19, 2002, signed an agreement to place the \$8.25 million in interest payments in a fund that would support an aggressive reforestation effort.

The Philippines will pay the \$8.25 million to the PTFCF at the rate of \$500,000 every six months, diminishing over 14 years.

A board composed of five non-government organization representatives, the environment and finance secretaries, and representatives from the US Embassy in Manila and the US Agency for International Development will manage the fund.

(Source: Philippine Daily Inquirer, 9/7/05, page A2)